A **LOCKHEED MARTIN CORPORATION**

v.

RAYTHEON COMPANY

B HIGH COURT MALAYA, KUALA LUMPUR
AZAHAR MOHAMED J
[ORIGINATING MOTION NO: D5 (IP) 25-9-2008]
2 NOVEMBER 2009

C ***TRADE MARKS:*** *Infringement of registered trade mark and passing off - Application to rectify register by expunging trade mark - First common law user of trade mark in Malaysia - Whether trade mark law in Malaysia territorial in nature - Whether trade mark clearly descriptive of respondent's goods - Distinctiveness of trade mark - Trade Marks Act*
D *1976, s. 10(1)(d), (e)*

TRADE MARKS: *Registered trade mark - Expungement - Application to rectify register by expunging trade mark - First common law user of trade mark in Malaysia - Whether trade mark law in Malaysia territorial in nature - Whether trade mark clearly descriptive of respondent's goods -*
E *Distinctiveness of trade mark - Trade Marks Act 1976, s. 10(1)(d), (e)*

The present case concerned the selling of laser-guided bomb kits under a particular trade mark, namely, PAVEWAY. These were sophisticated military armaments which were not available to the
F general public, with the government being the only potential purchaser. By this originating motion, the applicant sought, *inter alia*, an order that the Trade Mark Registration No. 05012716 for "PAVEWAY" ('Registered Trade Mark') be expunged and removed from the Register of Trade Marks, Malaysia. The applicant was a
G manufacturer and distributor of paveway-variant laser guided bomb ('LGB') kits and paveway laser guided training rounds, while the respondent had been manufacturing and producing the PAVEWAY LGB kits since the 1970's. The applicant argued that the Registered Trade Mark contradicted s. 10(1)(d) Trade Marks Act
H 1976 ('Act') as it was directly descriptive of the respondent's goods. The applicant further submitted that the Registered Trade Mark also did not come under s. 10(1)(e) of the Act which allows a mark to be registered if it has "any other distinctive mark" as defined in s. 10(2A) of the Act. The respondent, however, averred that it was
I the first and sole user of the PAVEWAY Trade Mark in Malaysia

since 1983 and internationally since 1970, which prevented the PAVEWAY Trade Mark from being expunged. It was further contended by the respondent that the PAVEWAY Trade Mark was registered validly and conclusively by the respondent in accordance with all provisions of the Act as a distinctive word, not descriptive of its goods.

Held (dismissing the applicant's motion):

(1) The averment in the respondent's affidavit to the effect that the respondent had sold over 150 PAVEWAY LGB kits bearing the PAVEWAY Trade Mark to the Malaysian Government since 1983 was sufficient evidence to support the respondent's contention that it was the first common law user of the PAVEWAY Trade Mark in Malaysia. *Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd* (foll). (para 26)

(2) It was clear on principle and on authority that this country's trade mark law is territorial in nature. Because of this, the appropriate test was whether the PAVEWAY Trade Mark was generic in Malaysia and not whether it was generic in other countries. In this regard, an important point which could not be overlooked was that the applicant had never sold its goods bearing the PAVEWAY name in Malaysia. The applicant had not produced any evidence that in Malaysia the PAVEWAY Trade Mark was perceived to be generic. Therefore, from the factual evidence that the PAVEWAY Trade Mark used in connection with the respondent's goods was the only such use in Malaysia, it could not be said that the PAVEWAY Trade Mark was or had become generic or was descriptive of the goods. In this way, the applicant's submission that the registered Trade Mark was clearly descriptive of the respondent's goods thus breaching s. 10(1)(d) of the Act could not be accepted. *Lim Yew Sing v. Hummel International Sports & Leisure* (foll); *McLaren International Ltd v. Lim Yat Meen* (foll). (paras 29, 30, 31, 32, 33 & 34)

(3) In considering s. 10(1)(e) of the Act, distinctiveness is determined by ascertaining whether the trade mark is inherently capable, or by reason of use of the mark or of any other circumstances, capable of distinguishing the goods or services of the proprietor. In summary, for a trade mark to be "capable of distinguishing", it must be inherently or factually distinctive. In

A the present case, the relevant date at which the Registered Trade Mark must be distinctive was at the date of the application of the Registered Trade Mark, namely, 1 August 2005. Bearing in mind that this country's trade mark law is territorial in nature, the respondent's PAVEWAY Trade Mark
B was factually distinctive under s. 10(2A) of the Act at the time of registration for the following reasons: (i) the respondent had been the sole manufacturer selling LGB kits bearing the PAVEWAY Trade Mark to the Malaysian government since 1983 (these goods were not available to the general public); (ii)
C the respondent was the sole manufacturer selling the goods bearing the PAVEWAY Trade Mark internationally since 1972; (iii) the respondent had extensively used and advertised the PAVEWAY Trade Mark in the trade mark sense since 1972; (iv) the term was adapted to distinguish as the respondent was
D the only manufacturer to supply LGB kits to the Malaysian government since 1983 and to the US government and internationally since the 1970's; and (v) there was no monopoly of a term as manufacturers are free to use other words to brand their LGB kits instead of the PAVEWAY Trade Mark used by
E the respondent. Furthermore, the respondent had taken all steps possible to ensure that the PAVEWAY Trade Mark did not become common and that it remained inherently distinctive. There had been no activity or inactivity on the respondent's part allowing the PAVEWAY Trade Mark to become generic.
F The PAVEWAY Trade Mark would not have caused deception and confusion as the respondent was the only manufacturer and distributor of LGB kits in Malaysia at the time of registration and also at the time these proceedings were initiated. *Yong Sze Fan & Anor v. Sharifah Mohd Tamin* (foll); *Wembley Gypsum v.*
G *MST Industrial* (foll). (paras 35, 36, 37, 38 & 39)

Case(s) referred to:

Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd [1997] 2 CLJ 863 HC ***(foll)***

Impex Electrical Ltd v. Weinbaum [1927] 44 RPC 405 ***(refd)***

H *Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA* ***(foll)***

McLaren International Ltd v. Lim Yat Meen [2008] 1 CLJ 613 CA ***(foll)***

Rainforest Coffee Products Pte Ltd v. Rainforest Cafe, Inc [2000] 2 SLR 549 ***(refd)***

I *Wembley Gypsum v. MST Industrial [2007] 6 CLJ 228 CA* ***(foll)***

Yong Sze Fan & Anor v. Sharifah Mohd Tamin & Ors [2008] 8 CLJ 613 HC ***(foll)***

Legislation referred to:
Trade Marks Act 1976, ss. 10(1)(a), (b), (c), (d), (e), (2A), 45(1)

Other source(s) referred to:
Kerly's Law of Trade Marks and Trade Names, 12th edn, para 8-29, 44

For the applicant - Bahari Yeow (Foong Cheng Leong with him); M/s Lee Hishammuddin Allen & Gledhill
For the respondent - Eow Kean Fatt (Jeffri Cheong with him); M/s Skrine

Reported by Suresh Nathan

JUDGMENT

Azahar Mohamed J:

[1] The present case is concerned with one of our intellectual property laws employed to protect trade marks. This case is concerned with the selling of laser-guided bomb kits under a particular trade mark, namely PAVEWAY. These are sophisticated military armaments which are not available to the general public. The government is the only potential purchaser.

[2] By this originating motion in enclosure No. 1, Lockheed Martin Corporation (the applicant) is seeking the following reliefs against Raytheon Company (the respondent):

(1) An order that the Trade Mark Registration No. 05012716 for "PAVEWAY" ("Registered Trade Mark") be expunged and removed from the Register of Trade Marks, Malaysia;

(2) That the costs of this application be borne by the respondent; and

(3) Such further and other reliefs as this court sees fit.

[3] The grounds in support of the motion can be summarized as follows. The applicant is an aggrieved person as the respondent is the registered proprietor of the term "PAVEWAY", a term which is descriptive of the product. The term "PAVEWAY" is not capable of being registered as a trade mark within the meaning and the purpose of the Trade Marks Act 1976 (the "Act"); and the entry of the Registered Trade Mark was made without sufficient cause and it is wrongful for the Registered Trade Mark to remain in the register.

[4] Before I state the rival contentions of the parties it is useful to make a note that the applicant's application is pursuant to s. 45(1) of the Act. I will quote briefly the portion that is relevant to the current discussion:

> Subject to the provisions of this Act, the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit.

[5] Another relevant provision is s. 10(1) of the Act, which provides the basis for registration of a trade mark as follows:

> In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:
>
> (a) the name of an individual, company or firm represented in a special or particular manner;
>
> (b) the signature of the applicant for registration or of some predecessor in his business;
>
> (c) an invented word or words;
>
> (d) a **word having no direct reference to the character or quality of the goods or services** not being, according to its ordinary meaning, a geographical name or surname; or
>
> (e) **any other distinctive mark.** (emphasis added)

[6] The main contention of the applicant is that the Registered Trade Mark, namely "PAVEWAY" does not come within any of the sub sections of s. 10(1) of the Act.

The Applicant's Case

[7] The applicant is, amongst others, a manufacturer and distributor of paveway-variant laser guided bomb ("LGB") kits and paveway laser guided training rounds. A "paveway" LGB consists of a computer control group ("CCG") and an airfoil group ("AFG"), each of which is attached by the soldiers in the field to an otherwise unguided explosive bomb. The "paveway" kit is the

computer control group and the airfoil group, which work together to provide guidance and flight control. The CCG and the AFG, together with an otherwise "dumb" bomb, create a "smart bomb." A

[8] Both the applicant and respondent make the CCG and the AFG which are part of a paveway II kit. The CCG and the AFG made by one company is interchangeable with the part made by the other company. B

[9] A "paveway" laser guided training round is a single-unit projectile used for military training. It has the flight characteristics of the paveway II LGB, but does not explode on impact with a target. Only the applicant has ever made these paveway II training rounds. C

[10] It is the applicant's contention that the term "paveway" itself means a technology that primarily uses laser to guide a bomb to a target. D

[11] The applicant has provided information about its paveway kits and laser guided training rounds to officials in Malaysia. All LGB kits sold and produced in the United States of America are paveways. They are the most used LGBs in the world. The only LGB kit ever sold or offered for sale in Malaysia is paveway LGB II kit. E

[12] Paveway II LGBs kits are military goods which are not marketed in a manner which is similar to consumer goods. Any direct sale of the same must be approved by the U.S government. The U.S. government will also sell the products to other governments. F

[13] From the time of their development by the respondent's predecessor, namely Texas Instruments, until about 2002, the respondent was the only authorized producer of the paveway II kits. The Applicant has since 2001 and 2002 qualified to produce paveway II LGBs for the United States Navy and United States Air Force and had been producing and selling the same to other countries. G H

[14] Very briefly stated the submissions of learned counsel for the applicant are as follows. The Registered Trade Mark is registered for "laser guided bombs kits in Class 13" ("applicant's goods"). The term "paveway" has a direct reference to the character of the I

respondent's goods and is descriptive of the applicant's goods which directly contradict s. 10(1)(d) of the Act. In deciding whether a particular trade mark has direct reference to the character or quality of goods in question, the court in *Rainforest Coffee Products Pte Ltd v. Rainforest Cafe, Inc* [2000] 2 SLR 549 cited para 8-29 of *Kerly's Law of Trade Marks and Trade Names*, 12th edn, at para 44 as follows:

> According to the learned authors of Kerly's (at pp 88-89 P 8-29), the equivalent section in the 1938 Act (s. 9(1)(d)) defines what is and for many years has been commercially by far the most important category of trade mark, yet decisions by the courts on these words have not been very numerous. Of those that exist few are of any value as laying down any definite principle; nor would they seem to imply any very consistent practice. The authors postulate that one reason may lie in the fact that almost every immediately attractive trade mark is in some sense descriptive or laudatory of the goods or services in question, and so in some degree has reference to their character or quality. The difficulty, they then say, is to decide whether that reference is a direct reference: one that seriously affects the word's capacity for distinguishing goods or services from a particular source, as distinct from the sort of reference that can be found only as an academic exercise, citing *Tastee Freez International's Application* [1960] RPC 255 at p 258 in support. In their opinion, this is at best a somewhat metaphorical question and one depending ultimately upon the reaction of the public to the chosen word.

[15] According to learned counsel the term "paveway" is clearly descriptive of the applicant's goods and the facts which are alleged to be relevant are as follows. First, all LGB kits sold and produced in the United States of America are paveways. They are the most used LGBs in the world. Secondly, "paveway" is synonymous with "laser guided bomb kit". "Paveway" itself means the technology that primarily uses lasers to guide a bomb to a target. Thirdly, the U.S. Government even established a performance specification for LGB manufacturers to comply before their products can be considered as "paveway" goods. Fourthly, a "paveway" laser guided training round is a single-unit projectile used for military training. It has the flight characteristics of the paveway II LGB, but does not explode on impact with a target. Fifthly, the respondent's predecessor had made a statement that "paveway" has become synonymous with laser-guided bombs. Sixthly, there is evidence to

show that the term "paveway" is used side by side with LGB and/or LGB kits. Seventhly, the term "paveway" has been used in substitution of the word LGB and/or LGB kits.

[16] Hence, learned counsel argued that the Registered Trade Mark contradicts s. 10(1)(d) of the Act as it is directly descriptive of the respondent's goods. Based on the above submission, learned counsel argued that the Registered Trade Mark does not fulfil the requirements under s. 10(1)(d) of the Act at the time of the application.

[17] Furthermore, learned counsel argued that the Registered Trade Mark does not as well come under s. 10(1)(e) of the Act that allows a mark to be registered if it has "any other distinctive mark" as defined in s. 10(2A) of the Act. Learned counsel then argued that the Registered Trade Mark is not distinctive based on the evidence produced by the applicant, it is clear that the term "paveway" is not distinctive of the respondent's goods as it is a term which the applicant desires to use or has used for its own goods and a significant number of consumers in the relevant market do not identify the term "paveway" as the respondent's goods.

[18] As a final point, learned counsel argued that the Registered Trade Mark does not cover within any one of s. 10(1)(a)-(e) of the Act. Thus the applicant has established a legal basis for this court to exercise its jurisdiction under s. 45 of the Act to remove the Registered Trade Mark which is erroneously registered by the registrar.

The Respondent's Case

[19] The respondent is a corporation in the business of research, manufacture, supply and distribution of products in integrated defence systems, intelligence and information systems, missile systems, space and airborne systems and network centric systems. They also have been manufacturing and producing the PAVEWAY LGB kits since the 1970s.

[20] On 1 August 2005, the respondent applied for trade mark registration in respect of the PAVEWAY Trade Mark in Malaysia in respect of the said goods. On 29 December 2007, the PAVEWAY Trade Mark was granted by the Malaysian Trade Mark Registry. The PAVEWAY Trade Mark was coined by Texas Instruments

("TI"), predecessor in interest to the respondent around 1964. As TI was the respondent's predecessor in interest, the PAVEWAY Trade Mark was validly transferred from TI to respondent.

[21] Up until the year 2002, the respondent was the sole, exclusive provider of LGB kits to the US government and had at all times sold the LGB kits under the PAVEWAY Trade Mark. For over thirty years, TI and the respondent were the single source of LGB kits marketed under the PAVEWAY Trade Mark. The respondent had applied for and owns numerous international registrations for the PAVEWAY Trade Mark. The respondent's LGB kits bearing the PAVEWAY Trade Mark has been the leader in precision guided weapons for more than a century and it is the most successful and lowest cost air to ground weapon system available.

[22] The submissions of learned counsel for the respondent against the present application can be summarized as follows. The respondent is the first and sole user of the PAVEWAY Trade Mark in Malaysia since 1983 and internationally since 1970. This factual situation prevents the PAVEWAY Trade Mark from being expunged. The PAVEWAY Trade Mark was registered validly and conclusively by the Respondent in accordance with all provisions of the Act as a distinctive word, not descriptive of its goods. The PAVEWAY Trade Mark was never a generic term at the point of registration in Malaysia and continues to remain a non-generic term at the time of proceedings as the applicant has admitted that they have never sold their goods in Malaysia. Trade Mark law is territorial in nature. Hence only use of the PAVEWAY Trade Mark in Malaysia is relevant. If there has been no use by any other person of the PAVEWAY Trade Mark in Malaysia, it is impossible for the PAVEWAY Trade Mark to have become generic or to have lost its distinctiveness. The PAVEWAY Trade Mark cannot be removed unless the applicant can show blameworthy conduct on the part of the respondent in causing the PAVEWAY Trade Mark to become generic. The PAVEWAY Trade Mark cannot be removed because no other party uses the PAVEWAY Trade Mark for LGB kits in Malaysia except for the respondent.

[23] To end his submission, learned counsel reiterated his argument that the PAVEWAY Trade Mark was registered validly and conclusively in accordance with all provisions of the Act as a distinctive word, not descriptive of its products. For this reason, he urged this court to dismiss the applicant's motion.

Findings Of Court

[24] The affidavit evidence shows that the respondent first started using the PAVEWAY Trade Mark in accordance with the definition of "use" of the Act throughout the world from as early as 1972 up until present day. The respondent's use of the PAVEWAY Trade Mark since 1972 includes use in connection with among others, all the respondent's promotional and advertising material, internal material, journals and technical document. The respondent has sold billions of dollars worth of PAVEWAY LGB kits to over 40 countries and has extensively promoted it in over 60 countries.

[25] Learned counsel for the respondent argued that the Respondent had first used the PAVEWAY Trade Mark in Malaysia in 1983 as it has been selling its LGB kits bearing the PAVEWAY Trade Mark to the Malaysian Government. Learned counsel for the respondent has drawn to my attention to the affidavit of the respondent affirmed on 7 August 2008 by Mr. Benjamin J Ford, the Director of International Business Development/Strike Weapons of the respondent to the effect that the respondent had first used the PAVEWAY Trade Mark in Malaysia in 1983 and it had sold over 150 PAVEWAY LGB kits in Malaysia to date (see encl. 5, paras 18 and 19). On the other hand, learned counsel for the applicant argued that the respondent did not produce any cogent evidence to show any sale of the PAVEWAY LGB kits or even use of the term "PAVEWAY" as a trade mark in Malaysia. In this regard, the affidavit of the applicant affirmed on 18 November 2008 by Mr. Joseph Michael Serra, the Senior Program Manager, Precision Guided Systems of the applicant denied the respondent's averment about the sales of the 150 PAVEWAY LGB kits in Malaysia (see encl. 10, para 9). For that reason, learned counsel for the applicant argued that the respondent has failed to discharge its burden.

[26] In my view the averment in the respondent's affidavit to the effect that the respondent has sold over 150 PAVEWAY LGB kits bearing the PAVEWAY Trade Mark to the Malaysian Government since 1983 is, I think, sufficient evidence to support its contention that the respondent is the first common law user of the PAVEWAY Trade Mark in Malaysia, even though details about the sales were not disclosed. I do not think the detail of the sales is at all material. In *Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd* [1997] 2 CLJ 863 it was held that according to the common law the first

person who uses a trade mark becomes the proprietor of that mark even though he did not acquire a reputation in the market or for that matter a distinctive character. In applying the common law principle, the applicant was the first person to use the trade mark in this case, and must therefore be the proprietor of that mark.

[27] Further on this point, our Court of Appeal in *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 held at p. 798:

> Gurdip Kaur (the proprietor of the Hummel (M) mark filed her application under s. 25 of the Act. She claimed to be the proprietor of the Hummel (M) mark on the basis nobody else had previously used the mark in Malaysia. She was quite entitled to make this claim.

[28] As mentioned above, the main ground of the applicant's application is that the PAVEWAY Trade Mark is descriptive of the goods in which registration is granted. In this regard, learned counsel for the applicant's main submission, as I understand his argument, is that the term "PAVEWAY" is and has been a descriptive term for the LGB kits in all relevant markets outside Malaysia at the time of the application and registration in Malaysia. He argued that evidence to show a word is descriptive is not limited to use in Malaysia only. He then brought to the attention of this court substantial evidence to show that the term "PAVEWAY" is descriptive in all relevant markets elsewhere.

[29] Having given the matter the most careful consideration, it seems to me that the submission of learned counsel for the applicant cannot be right. It seems to me clear on principle and on authority that our trade mark law is territorial in nature. That this principle has been firmly laid down can be shown in the following cases.

[30] The matter is put by our Court of Appeal in *Lim Yew Sing v. Hummel International Sports & Leisure A/S (supra)* in these words at p. 790:

> Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using the mark in a foreign country, there is nothing unlawful under the Trade Marks Act 1967 for a Malaysian

trader to become the registered proprietor of a foreign mark used for similar goods provided that the foreign mark has not been used at all in Malaysia.

[31] In *Lim Yew Sing v. Hummel International Sports & Leisure A/S* our Court of Appeal cited with approval the case of *Impex Electrical Ltd v. Weinbaum* [1927] 44 RPC 405, where Tomlin J said:

> For the purposes of seeing whether the Mark is distinctive (non-generic), it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them.

[32] Again in *McLaren International Ltd v. Lim Yat Meen* [2008] 1 CLJ 613 our Court of Appeal held at p. 625:

> So long as the appellant had yet to use it here prior to the respondent's registration he had every right to act as he did. There was no necessity for the Respondent to do the impracticable like scouring the globe and enquiring from those carrying that name or trade name whether they intended to come to Malaysia and register the mark here.

[33] Coming back, to the present case, what then is the test?

[34] Applying those principles to the present case, I agree with the argument of learned counsel for the respondent that because of the territorial nature of our trade mark law, the appropriate test is whether the PAVEWAY Trade Mark was generic in Malaysia and not whether the PAVEWAY Trade Mark was generic in other countries. In this regard, an important point which cannot be overlooked is that the applicant has never sold their goods bearing the PAVEWAY name in Malaysia. The applicant has not produced any evidence that in Malaysia the PAVEWAY Trade Mark is perceived to be generic. My conclusion, therefore, from the factual evidence that the PAVEWAY Trade Mark used in connection with the respondent's goods is the only such use in Malaysia, it cannot be said that the PAVEWAY Trade Mark is or has become generic or is descriptive of the goods. In this way, I am not prepared to accept the submission of learned counsel for the applicant that the Registered Trade Mark is clearly descriptive of the respondent's goods thus breaching s. 10(1)(d) of the Act.

[35] I now turn to consider s. 10(e) of the Act, which provides that the trade mark must be "any other distinctive mark".

[36] Distinctiveness is determined by ascertaining whether the trade mark is inherently capable, or by reason of use of the mark or of any other circumstances, capable of distinguishing the goods or services of the proprietor. In this regard s. 10(2A) of the Act imposed conditions on 'distinctive' as follows:

> (2A) For the purposes of this section, "distinctive", in relation to the trade mark registered or proposed to be registered in respect of goods or services, means the trade mark must be capable of distinguishing goods or services with which the proprietor of the trade mark is or may be connected in the course of trade from goods or services in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered, subject to conditions, amendments, modifications or limitations, in relation to use within the extent of the registration.

[37] In summary, for a trade mark to be "capable of distinguishing", it must be inherently distinctive; or factually distinctive. In *Yong Sze Fan & Anor v. Sharifah Mohd Tamin & Ors* [2008] 8 CLJ 613, Ramly Ali J (as he then was) held at 627:

> The Court is of the view that the mark is distinctive within the meaning of the Trade Marks Act 1976 in that it is capable of distinguishing the goods of the respondents from the goods of other traders. The mark is both inherently and factually distinctive of the respondents in this case. In deciding inherent distinctiveness, the case of *W & G Du Cros Ltd's Application* [1913] 30 RPC 660 can be relied upon. It was held by Lord Parker at p 671 as follows:
>
> The applicant for registration in effect says 'I intend to use this mark as a trademark ie, for the purpose of distinguishing my goods from the goods of other persons', and the Registrar or the court has to determine, before the mark is admitted to registration, whether it is such a kind that the applicant, quite apart from the effects of registration, is likely to attain the object he has in view. The applicant's chance of success in this respect, must, I think largely depend upon whether other traders are likely, in the ordinary course of their business and without improper motive, to desire to use the same mark, or some mark closely resembling it, upon or in connection with their own goods.

[38] In the present case, the relevant date at which the Registered Trade Mark must be distinctive is at the date of the application of the Registered Trade Mark namely, 1 August 2005. Now bearing in mind what I have indicated a moment ago that our trade mark law is territorial in nature, in my judgment, the respondent's PAVEWAY Trade Mark is factually distinctive under s. 10(2A) of the Act at the time of registration for the following reasons. First, the respondent has been the sole manufacturer selling LGB kits bearing the PAVEWAY Trade Mark to the Malaysian government since 1983; these goods are not available to the general public. Secondly, the respondent was the sole manufacturer selling the goods bearing the PAVEWAY Trade Mark internationally since 1972. Thirdly, the respondent has extensively used and advertised the PAVEWAY Trade Mark in the trade mark sense since 1972. Fourthly, the term was adapted to distinguish as the respondent was the only manufacturer to supply LGB kits to the Malaysian government since 1983 and to the US Government and internationally since the 1970s. And fifthly, there is no monopoly of a term as manufacturers are free to use other words to brand their LGB kits instead of the PAVEWAY Trade Mark used by the respondent.

[39] Furthermore, I agree with the submission of learned counsel for the respondent that the Respondent have taken all steps possible to ensure that the PAVEWAY Trade Mark does not become common and the mark remains inherently distinctive. In my view, therefore there has been no activity or inactivity on the part of the respondent allowing the PAVEWAY Trade Mark to become generic. In *Wembley Gypsum v. MST Industrial* [2007] 6 CLJ 228 it was alleged that the words "Pinhole", "Sakura", "Fissured" and "Leopard" were descriptive of the design patterns on the ceiling boards. "Pinhole" was used to denote a design resembling many pinholes, "Sakura" denoted a floral design, and "Fissured" denoted a design consisting of small cracks. The Court of Appeal held that the marks were not generic words and were not descriptive of the products. The marks were allowed to remain on the registry as the mark was substantially new when first used by the plaintiff, who was also the first to sell gypsum ceiling boards using the trade marks before the defendant came into the trade. The evidence has shown that the words are distinctive under s. 10(2A) of the Act. Similarly in my view, in the present case, at the time of registration, the PAVEWAY Trade Mark was distinctive, because the respondent was

A and still is the only manufacturer and distributor of LGB kits in Malaysia. The PAVEWAY Trade Mark would not have caused deception and confusion as the respondent was the only manufacturer and distributor of LGB kits in Malaysia at the time of registration and also at the time these proceedings were initiated.

B

[40] The result therefore is that the applicant's motion fails and must be dismissed with costs.

C

D

E

F

G

H

I